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EIC-M-5

18 September 1951

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting held in  
Director's Conference Room, Administration Building  
2430 E Street, N. W.

13 September 1951

PRESENT:

Dr. Max F. Millikan, CIA, Chairman

Mr. Edward Doherty, State

Mr. Howard Wiedemann, State

Mr. John F. Kullgren, Army

Cdr. Donald C. Deane, Navy

Dr. James T. Lowe, Air Force

Mr. John Easton, JCS

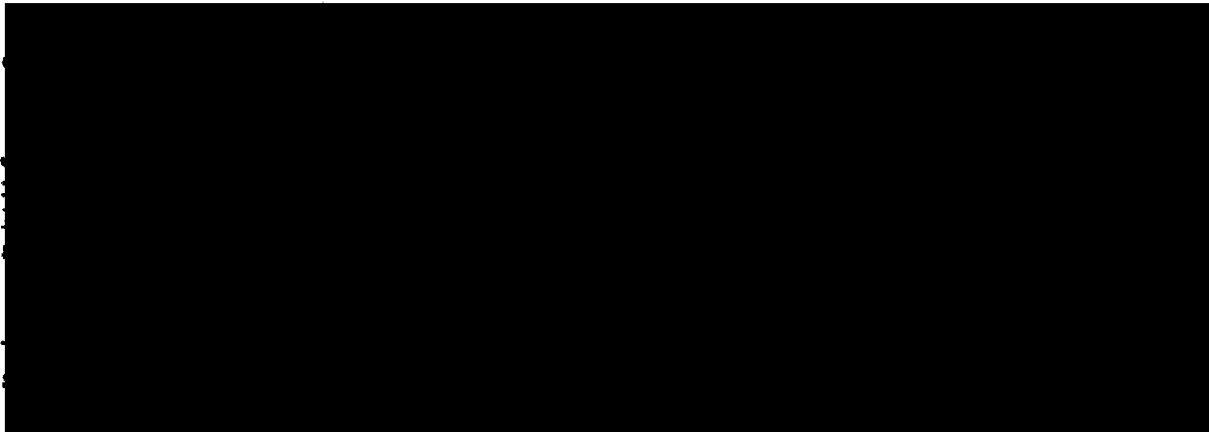
25X1A9a [REDACTED], CIA, Secretary  
CIA

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 16 August 1951 (EIC-M-4) were approved.

REPORT ON DISCUSSIONS WITH JMIA

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REPORT ON PROGRESS OF SUBCOMMITTEES - GENERAL

5. Action: It was agreed that copies of suggested terms of reference prepared by the various subcommittees will be distributed in advance of EIC meetings so that comments can be given to the Secretariat and an agreed draft can be presented at the EIC meeting.

6. With regard to the voting rights of the associate members of subcommittees, it was generally agreed that only permanent subcommittee members may vote on questions of procedure, rules, etc.; however, associate members are to be permitted to vote on substantive matters in which they have an interest.

7. It was decided that subcommittees should submit proposed projects to the EIC for approval before contacting various IAC and non-IAC agencies for contributions.

8. The Secretariat was directed to notify Subcommittee Chairmen that all proposals for associate members are to be presented to the EIC for approval.

9. It was agreed that the secretary of each of the subcommittees is to determine the security status of all persons attending meetings and that this information is to be given to the chairman so that he can announce at the beginning of each meeting the classification of material which may be discussed.

10. The EIC Secretariat was directed to provide for the distribution of the Agendae and Minutes of subcommittees and working groups to members of the EIC.

SUBCOMMITTEE ON REQUIREMENTS AND FACILITIES FOR COLLATION

II. Discussion: This Subcommittee has had two meetings. Requirements for the State Department Division of Foreign Reporting have been prepared on Japan and are being worked on for the rest of the world. Terms of reference are also being prepared.

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SUBCOMMITTEE ON PETROLEUM

12. Action: It was agreed that the Petroleum Subcommittee should include natural gas within the scope of its responsibilities.

13. It was agreed that paragraph 2 f. of the proposed terms of reference for this Subcommittee should be changed to read: "Prepare, as directed, and coordinate economic intelligence reports on petroleum."

14. In view of the overlap in functions between the Subcommittee on Requirements and Facilities for Collation and the Commodity Subcommittees, it was agreed to wait until the terms of reference for the Requirements Subcommittee are prepared before considering the terms of reference for the Commodity Subcommittees. It will be possible to adopt some common language in describing overlapping functions.

15. Discussion: The Petroleum Subcommittee has had three meetings. The members have approved the terms of reference and have also suggested some very broad terms of reference for the Petroleum Advisory Panel. This Subcommittee is currently considering the preparation of a coordinated paper on the Soviet petroleum position.

PROPOSED PETROLEUM ADVISORY PANEL

16. Discussion. Dr. Lillikan reported that preliminary discussions have been held with Admiral Biggs and Mr. Snodgrass of the Petroleum Administration for Defense regarding this Panel. It is hoped that there will be a meeting of this group before the next EIC meeting.

SUBCOMMITTEE ON TRANSPORTATION

17. Discussion. This Subcommittee has had two meetings. Its proposed terms of reference, approved at its 13 September meeting, will be distributed to EIC members during the week of 16 September.

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SUBCOMMITTEE ON AGRICULTURE

18. Discussion: The Subcommittee on Agriculture had its third meeting on 13 September. Terms of reference were agreed upon at that meeting and they will be distributed immediately to the EIC members. Action has been taken to provide a contribution to the agricultural sections of NIE-40 (see paragraphs 21 and 22 below).

REPORT ON ACTIONS STILL OUTSTANDING WITH REGARD TO NIE-40

VIEWS OF THE SUBCOMMITTEE ON AGRICULTURE RE NIE-40

19. Action: Dr. Millikan will explore within CIA the question of how non-IAC agencies can be provided with assistance which will permit them to devote some of their time and talents to work required by the intelligence community.

25X1A9a 20. Discussion: [REDACTED] CIA, reported that the Department of Agriculture has agreed to estimate the agricultural situation in Western Europe under peace-time conditions through 1953. However, Agriculture has a problem similar to that of the Army and Navy in that production on NIE-40 will interfere with the NIS program.

OSI VIEWS ON ATOMIC ENERGY SECTION OF NIE-40

21. Discussion: OSI will do the Atomic Energy Section of NIE-40, including the economic aspects of this section.

REPORT ON DR. MILLIKAN'S DISCUSSIONS WITH ECA RE ECA CONTRIBUTION TO THE MACHINERY SECTION OF NIE-40

22. Discussion: Dr. Millikan reported that ECA continues to feel that it does not have the manpower or facilities to prepare the Machinery Section of NIE-40. The agency is willing, however, to have its experts go over any paper on this subject prepared by other agencies and is willing to make its experts available for limited consultation.

GOVERNMENT-WIDE SURVEY OF RESEARCH PROGRAMS ON THE ECONOMY OF THE SOVIET ORBIT

23. Action: Members of the EIC Secretariat will contact each agency within the next two weeks to get a clearer picture of their economic research programs as they relate to the Soviet Orbit. A preliminary draft of the findings of this survey will be presented either at the next EIC meeting or the meeting following.

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24. CIA will prepare a report of economic intelligence projects in process as agreed at the last EIC meeting. The Committee can then decide if such a report would be useful on a continuing basis.

SIGNIFICANCE OF SELECTED FOREIGN AREAS AS SOURCES OF US STRATEGIC MATERIALS

25. Discussion: Mr. Kullgren, Army, explained the background for a proposed series of studies, which would be designed to give a complete picture of the significance of certain selected areas (e.g., India/Pakistan, Far East) to the US strategic materials position. The studies might actually be broader than suggested and might better be called "Strategic Importance of a Particular Area to the US and Factors Endangering US Security Interests". These studies would consider the importance of the loss of shipping, ports, airbases, etc., as well as the significance of the loss of a certain strategic materials.

26. The IAC will probably request a National Intelligence Estimate along these lines. Subject was introduced at this meeting merely to acquaint EIC members with the thinking going on and to alert them that a portion of such a study will probably soon be assigned to IAC members.

PROPOSAL FOR NEW SUBCOMMITTEES

27. Action: The question of additional subcommittees (viz. Chemicals, Nonferrous Metals, Ferrous Metals, Electric Power, Machinery, Geographic Areas) as well as nominations for members of such subcommittees as are approved will be discussed at the next EIC meeting.

NEXT MEETING OF EIC

28. Discussion: It was agreed that the next meeting of the Economic Intelligence Committee would be on Thursday, 27 September 1951, at 2:00 p.m., in the Director's Conference Room, Administration Building.

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Secretary  
Economic Intelligence Committee

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